

Heiliger Holdings, LLC

David Heiliger

6901 Deframe Court Arvada CO 80004

Re: Case Number: 22-10964 (MG)

To: Stretto, Case & White, Kirkland & Ellis, Honorable Judge Martin Glenn

June 9, 2024

Dear Honorable Judge Glenn,

Stretto has improperly processed my claim. On September 24, 2022, I sent my petition concerning my claims for your attention. The tracking number of this item is USPS: 92055901755477300034852872. I am now demanding a reconsideration of my claim.

Claims on Two Celsius Loans

A copy of this petition (Attachment 1) is included for your reference. Stretto has improperly processed my claim. Instead of refinancing loans for my BTC and ETH, Stretto has performed a set off. I discovered this error upon establishing the required Coinbase account and receiving the following distributions – 1.32 BTC (Attachment 2) and 19.73 ETH (Attachment 3).

The two Loans included in the original petition are numbered 153849 (BTC) and 159819 (ETH). Stretto improperly processed this petition as a setoff without considering all the facts.

The original loan amount for Loan #153849 (BTC) was 15.437 BTC against a \$313,000 loan. As stated in the original petition, Celsius requested an additional 9.188 Bitcoin to further collateralize the loan. These collateral demands were made post-bankruptcy. Our demand is that the 9.188 bitcoins that were sent to the Celsius holding account should be treated as Custody and not as Loan Collateral. Since our claims were made on September 24, 2022 and in writing, this qualifies for the 9.188 BTC to be returned in full. Further, the original loan should be refinanced as per our request on September 24, 2022.

The original loan amount for Loan #159819 (ETH) was 32.11 ETH against a \$36,055 loan. As stated in the original petition, Celsius performed margin calls against this loan that were paid. Our claim is that this loan should be refinanced as per our request on September 24, 2022.

Stretto Concealment of Facts

On October 2, 2023, I received a physical letter from Stretto. It is 10 printed pages on thin paper that sticks together. It is difficult to understand the nature of the communication as the ten pages does not discuss my account status, transaction history or what the ramifications of each decision might be during the claims process. Further, I have received dozens of emails from Stretto. Similarly, these emails do not contain any way for me to analyze my transaction history during the Celsius bankruptcy. These emails and letters contain pages of legal terminology written by advanced lawyers in the industry. I was a consumer of the Celsius products and adversely affected by the bankruptcy. Because these letters and emails were not written to portray my account status, I am not able to properly reconcile the actions presented by the bankruptcy as it pertains to my account holdings.

A letter that I would have expected from the bankruptcy team would contain the following details:

- A notification as it pertains to my specific loan. For example, this notice pertains to Loan # 153849 for 15.437 BTC.
- Transaction History details concerning this account – confirming what has happened prior to and after the bankruptcy filing date.

Prior to Bankruptcy:

15.437 Bitcoin Collateral \$313,000 USDC Loan

Post Bankruptcy

9.188 Bitcoin Margin Call Payments

(Full details of this transaction history is in Attachment 4)

- Next, an informative presentation of my two choices:

Choice 1: Continue the Loan

Choice 2: Exit the Loan

Stretto deliberately obscured these facts so that the new company would receive favorable treatment on my claims. Stretto deliberately ignored my written communication from September 2022. This means that for a consumer like myself that is not a graduate of law, I was railroaded into clicking buttons on a website that did not make a lot of sense.

Stretto then improperly concluded that I wanted to exit the loan thereby sending 1.3 BTC and 9.7 ETH. This is not the choice that I would have made if the information was not concealed from me.

Heiliger Holdings is reserving the claims rights against Stretto, White & Case, newco and the Bankruptcy Court for concealment and misrepresentation of my claims intent.

To properly settle the Heiliger Holdings claims, Stretto should have performed the Loan Refinance method, not the Loan Set-Off method. Furthermore, the BTC that was unlawfully collected post-bankruptcy is to be clawed-back by Heiliger Holdings.

Current Stretto – Loan “Set-Off” method

Here are the amounts paid by Stretto using the incorrectly chosen Loan “Set-Off” method.

Loan # 153849 for 15.437 BTC (\$313,000 USDC).

- 1.3 BTC Received to Coinbase
- 9.7 ETH Received to Coinbase
- 1,386 Shares Received in Ionic Digital

Loan #159819 (ETH) was 32.11 (\$36,055 USDC)

- 0 BTC Received
- 0 ETH Received to Coinbase
- 0 Share Received in Ionic Digital

Correct Stretto Calculator – Loan Transfer

Aaron Bennett's calculator can be found here:

<https://www.youtube.com/watch?v=tXiTVMdLx74>

The correct calculation for the two Loans is as follows:

Loan # 153849 for 15.437 BTC (\$313,000 USDC).

Loan Refinance Calculator		Petition Date Prices			Effective Date Price		Current Prices	
Principal (\$)	\$ 313,000.00	BTC	\$ 19,881.00	BTC	\$ 42,973.00	BTC	\$ 72,500.00	
Collateral Quantity	15.437	ETH	\$ 1,088.00	ETH	\$ 2,577.00	ETH	\$ 4,000.00	
Loan Details:								
Collateral Type	BTC							
Petition Date Value of Collateral +5%	\$ 322,248.15							
Effective Date Value of Collateral +5%	\$ 696,542.91							
Current Value of Collateral +5%	\$ 1,175,141.63							
Payoff Calculator:								
Amount of Principal Paid	\$ 313,000.00							
Amt coins returned for it	4.317241	----->	This is the amount of coins sent to lender for paying off the principal					
Calculating Excess Payout:								
Excess collateral (after payoff)	\$ 9,248.15							
Distribution % of excess:	57.9%	----->	Distribution percentage of the plan					
Excess after haircut	\$ 5,354.68							
Amt coins returned for it	0.124605613	----->	This is the amount of coins sent to lender for the remaining collateral					
New Loan Details:								
Total Coins Returned:	4.4418	----->	Total coins sent to lender to be used as collateral for the new loan					
Current Value of Coins Returned:	\$ 322,033.91							
Current LTV	97.19%	----->	LTV of new loan with the lender					
Margin Call Price (80% LTV):	\$ 88,082.73	----->	BTC price at which you would receive a margin call					
Liquidation Price (90% LTV):	\$ 78,295.76	----->	BTC price at which you would get liquidated					
Additional Recoveries:								
ShitCo Stock (14.9%)	\$ 1,377.97	----->	worth of equity in ShitCo					
ShitCo Shares (Valued \$20 each)	68.90	Shares						
Illiquid Asset Recovery (6.4%)	\$ 591.88	----->	expected to be recovered from sale of illiquid assets over several years					

9.188 BTC PAYMENTS

The 9.188 BTC must be returned as it was unlawfully collected post-bankruptcy. Heiliger Holdings is claiming a claw-back of the 9.188 BTC unlawfully obtained by Celsius post-bankruptcy.

David Heiliger remitted payments to Celsius prior to being notified that Celsius had entered bankruptcy. Other clients did not remit payments for margin calls and have received preferential treatment over David's claim. Furthermore, David submitted the original claim in September of 2022 and, as such, deserves favorable treatment for the 9.188 BTC that was unlawfully collected. Should the court deny this claim, the new company would be liable for fraud claims as it pertains to the 9.188 BTC received against this loan.

There has been no consideration given to the margin call payments as it pertains to either the Set-Off method or the Loan Refinance method. Therefore, these payments are excluded from the settlement calculations provided by the Courts and Stretto.

Based upon the facts, Heiliger Holdings must receive a full return of the 9.188 BTC that was remitted during the post-bankruptcy period.

Loan #159819 (ETH) was 32.11 (\$36,055 USDC)

Loan Refinance Calculator		Petition Date Prices			Effective Date Price			Current Prices		
Loan Details:		BTC	\$ 19,881.00	BTC	\$ 42,973.00	BTC	\$ 72,500.00			
Principal (\$)	\$ 36,055.00	ETH	\$ 1,088.00	ETH	\$ 2,577.00	ETH	\$ 4,000.00			
 										
Collateral Quantity	32.11									
Collateral Type	ETH									
Petition Date Value of Collateral +5%	\$ 36,682.46									
Effective Date Value of Collateral +5%	\$ 86,884.84									
Current Value of Collateral +5%	\$ 134,862.00									
 										
Payoff Calculator:										
Amount of Principal Paid	\$ 36,055.00									
Amt coins returned for it	9.013750	----->	This is the amount of coins sent to lender for paying off the principal							
 										
Calculating Excess Payout:										
Excess collateral (after payoff)	\$ 627.46									
Distribution % of excess:	57.9%	----->	Distribution percentage of the plan							
Excess after haircut	\$ 363.30									
Amt coins returned for it	0.140978524	----->	This is the amount of coins sent to lender for the remaining collateral							
 										
New Loan Details:										
Total Coins Returned:	9.1547	----->	Total coins sent to lender to be used as collateral for the new loan							
Current Value of Coins Returned:	\$ 36,618.91									
Current LTV	98.46%	----->	LTV of new loan with the lender							
Margin Call Price (80% LTV):	\$ 4,923.00	----->	ETH price at which you would receive a margin call							
Liquidation Price (90% LTV):	\$ 4,376.00	----->	ETH price at which you would get liquidated							
 										
Additional Recoveries:										
ShitCo Stock (14.9%)	\$ 93.49	----->	worth of equity in ShitCo							
ShitCo Shares (Valued \$20 each)	4.67 shares									
Illiquid Asset Recovery (6.4%)	\$ 40.16	----->	expected to be recovered from sale of illiquid assets over several years							

Heiliger Holdings Claim Calculation

Based upon the amount received, the following is a calculation of what is remaining to be paid to Heiliger Holdings by the settlement and newco.

9.188 BTC RETURN CALCULATION

BTC OWED	BTC RECEIVED	DIFFERENCE	ETH RECEIVED	EFFECTIVE DATE	ETH PRICE	ETH USD VALUE	EFFECTIVE DATE	BTC PRICE	ETH TO BTC	DIFFERENCE - ETH	BTC OWED
9.188	1.3	7.888	9.7	2577	24996.9		42973	0.581688502	7.306311498	7.306311	

BTC PAYMENT TO HEILIGER HOLDINGS: 7.31

Loan # 153849 for 15.437 BTC (\$313,000 USDC).

PAYOUT AMOUNT DUE TO NEWCO: \$322,033.91

BTC PAYMENT TO HEILIGER HOLDINGS: 4.4418

Loan #159819 (ETH) was 32.11 (\$36,055 USDC)

PAYOUT AMOUNT DUE TO NEWCO: \$36,618.91

ETH PAYMENT TO HEILIGER HOLDINGS: 9.1547

Heiliger Holding Claim Summary

Based upon the facts, Stretto should immediately reprocess Heiliger Holding Claims as presented.

Please submit all correspondence in writing to the attention of David Heiliger for Heiliger Holdings, LLC.

David Heiliger can be reached by mail at the following address:

6901 Deframe Court

Arvada, CO 80004

Regards,

David Heiliger

Attachment 2

coinbase PRIME

Deposit for 1.32089269 BTC is now available

Coinbase Prime detected a BTC Deposit for **Heiliger Holdings, LLC** and credited it to your account.

Amount	1.32089269 BTC
Credited At	May 22, 2024 8:16AM PT
Transaction ID	1A186211
Destination Wallet	BTC Trading Balance

Attachment 3

coinbase PRIME

Deposit for 19.73565317 ETH is now available

Coinbase Prime detected a ETH Deposit for **Heiliger Holdings, LLC** and credited it to your account.

Amount	19.73565317 ETH
Credited At	May 22, 2024 8:16AM PT
Transaction ID	3CCFC631
Destination Wallet	ETH Trading Balance